

JERROLD OPPENHEIM
57 MIDDLE STREET
GLOUCESTER, MASSACHUSETTS 01930-5736
+1 (978) 283-0897 . Fax +1 (978) 283-0957 . JerroldOpp@tgic.net

September 10, 2001

Mary Cottrell, Secretary
Department of Energy and Telecommunications
One South Station
Boston, Mass. 02110

RE: DTE 01-63, Cape Light Compact Petition for Approval of Default
Aggregation Pilot

Dear Secretary Cottrell:

This is the Comment of the Low-Income Energy Affordability Network (LEAN), the low-income weatherization and fuel assistance network (described in G.L. c. 25, sec. 19), the Massachusetts Energy Directors Association, and the Massachusetts Community Action Program Directors Association Inc. (MASSCAP) in support of Cape Light Compact's Petition for Approval of a Municipal Aggregation Default Service Pilot Project.

G.L. c. 25, sec. 19 (St. 1997, c. 164, sec. 37) provides that "The low-income residential demand-side management and education programs shall be implemented through the low-income weatherization and fuel assistance program network and shall be coordinated with all gas distribution companies in the commonwealth with the objective of standardizing implementation." LEAN was established among the member agencies of the low-income weatherization and fuel assistance program network to provide the services required for implementing the coordination requirements of the statute. MASSCAP is the organization of community action programs that make up most of the low-income weatherization and fuel assistance program network. The Massachusetts Energy Directors Association is the organization of energy directors of the programs (mostly community action programs) who operate the low-income weatherization and fuel assistance program network. Members of MASSCAP, the Massachusetts Energy Directors Association, and LEAN implement the Compact's low-income DSM programs, including education; they also counsel customers in the Compact's territory about rates and payment options. Many electricity customers in the Compact's territory, especially the low-income customers served by members of MASSCAP, the Energy Directors, and LEAN, are having an especially difficult time paying their bills due to the significant increases in the past year in the price of Default Service electricity in the Compact's territory.

Although the Default Service price in the Compact territory has soared to 8.651 cents per kWh,¹ triple the rate at the start of restructuring, no competition for residential customers has emerged. The few Massachusetts competitors abandoned their marketing in the Commonwealth altogether. Statewide, 0.05% of residential customers now receive a competitive supply.

Low-income customers are eligible for Standard Offer service at a price that is about 27% less than Default Service, and are eligible as well for a low-income discount. However, the discount only reaches about 25% of low-income customers in the Compact's territory. Thus, if other low-income customers are distributed between Standard Offer and Default Service in the same ratio as the general population (28.6% Default Service),² about 9000 Cape Cod low-income families are burdened by high Default Service rates.

Efforts are ongoing to reach low-income families more effectively in order to enroll them in the low-income discount program.³ In the meantime, Cape Light Compact's proposed pilot offers badly needed relief. Low-income families pay four times their incomes for energy, compared with median income families, and the increases in electricity and gas prices of the last year have made it much more difficult for them to carry this burden.

Cape Light's proposed aggregation pilot will help determine whether the price of essential electricity for low-income and near-low-income families can be reduced through the marketplace. It is essential for the well-being of these families that electricity prices be reduced and we therefore support Cape Light's effort to bring that about.

Respectfully submitted,
Low-Income Energy Affordability Network, the low-income weatherization and fuel assistance network, the Massachusetts Energy Directors Association, and the Massachusetts Community Action Program Directors Association Inc., by their attorney,

cc (by e-mail): Jeffrey Bernstein, Esq., Scott Ridley, Cape Cod Light
 Elliott Jacobson, LEAN

¹ Data in this and the next paragraph from the Division of Energy Resources (DOER).

² This is a conservative assumption since low-income families move much more often than average.

³ In addition, the Department recently approved a promising low-income budget counseling and arrearage forgiveness program for the Commonwealth Electric service territory, which includes the Cape Light territory.